



## FY2021 Financial Results

VELTRA Corporation

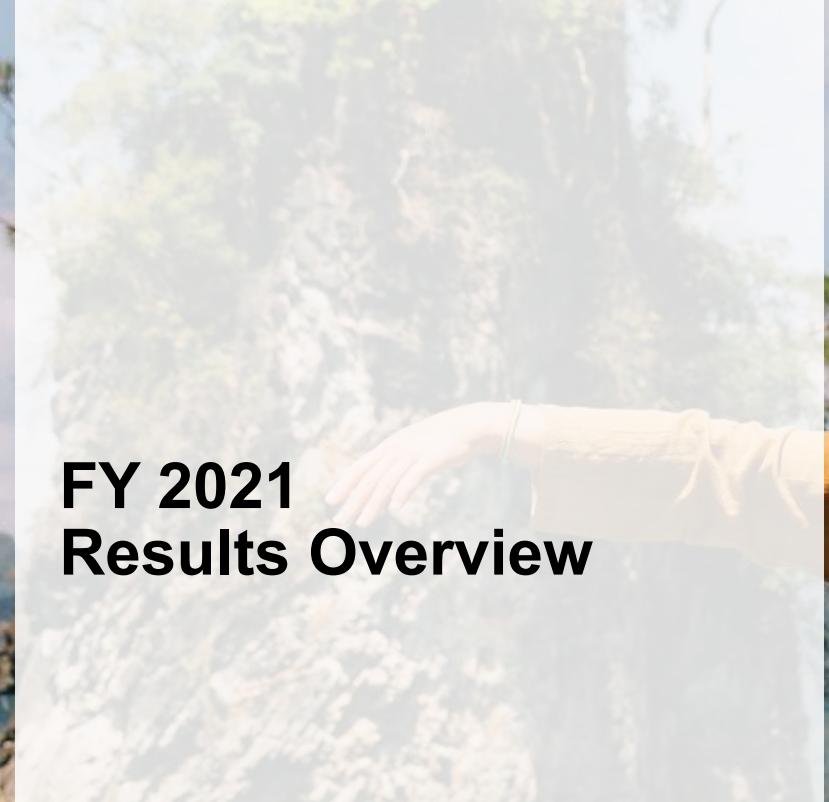
Tokyo Stock Exchange Mothers: 7048

## Contents

---

FY 2021 Results Overview	3
FY 2021 Main Initiatives	9
FY 2022 Future Actions	16
FY 2022 Earnings Forecast	22
Appendix	24

## FY 2021 Results Overview



# FY2021 Performance Highlights

---

Business Environment	Japanese overseas travel: 510,000 ppl. minus 97.4% vs 2019 (Jan - Dec) Foreigners visiting Japan: 240,000 ppl. minus 99.2% vs 2019 (Jan - Dec)			
Source: Japan National Tourism Organization (JNTO)				
Performance Overview	Continued to control costs amidst the prolonged impact of COVID-19			
	Operating revenue 492 M JPY YoY ▲ 397M JPY			
	Ordinary profit 1,104 M JPY YoY +146M JPY			
	Net income 1,157 M JPY YoY +389M JPY			
Performance	<ul style="list-style-type: none"><li>■ Continued impact by COVID-19, but narrowed losses compared to 2020</li><li>■ HawaiiActivities (U.S. mainland travelers) achieved all time record highs in sales</li><li>■ Domestic tour bookings increased in the second half of the year as vaccines become more widely available</li></ul>			
Counter Measures	<ul style="list-style-type: none"><li>■ Expanded partnerships in the MaaS business (Linktivity)</li><li>■ Expanded the lineup of domestic tours, expanding the base of the OTA business</li><li>■ Maintained and expanded the number of active users by running a variety of content</li></ul>			

## P/L Summary (Consolidated)

- Approximately 74% (657million yen) of FY12/2020 operating revenue generated in the first and second months prior to COVID-19 impact
- Considering the above, earnings for the current fiscal year increased substantially from the previous fiscal year.
- Continued to implement cost control measures from the previous year, resulting in a reduction in operating expenses.

	FY2020	FY2021	YoY
Unit : million yen			
<b>Operating revenue</b>	890	<b>492</b>	55.3%
<b>Operating expenses</b>	2,224	<b>1,590</b>	71.5%
<b>Operating loss</b>	▲1,333	<b>▲1,098</b>	—
<b>Ordinary loss</b>	▲1,250	<b>▲1,104</b>	—
Extraordinary expenses	188	<b>16</b>	8.6%
<b>Net income</b>	▲1,547	<b>▲1,157</b>	—
<b>Net income per share (yen)</b>	▲53.58	<b>▲35.12</b>	—

# Operating Revenue and Operating Profit (Loss) Quarterly Trends

Although there were signs of recovery in 2021, COVID-19 related travel restrictions led to a decrease of 397 million yen in operating revenue.

(Unit: Millions of yen)

Operating revenue  
Operating profit

1,359

929

240

1,005

191

1,056

369

782

42

▲ 29

1Q

2Q

3Q

4Q

## Impact of COVID-19

Promoted initiatives to increase customer contact by expanding online services, tourism IT business and domestic tours to ensure capturing post-COVID travel demand.

Emergency declaration

10

▲ 471

GoTo Travel start

47

▲ 432

COVID Spread

50

▲ 400

Emergency declaration

51

▲ 348

Vaccination start

128

▲ 264

Declaration of State of Emergency lifted

175

▲ 221

136

▲ 263

1Q 2Q 3Q 4Q

2019/12

FY2021 Financial Results

2020/12

Copyright © VELTRA Corporation All Rights Reserved.

2021/12

6

# Balance Sheet Summary (Consolidated)

Capital adequacy ratio increased to 61.4%, further strengthening financial soundness

Unit: million yen	FY2020	FY2021	Net Change	Notes
<b>Current Assets</b>	1,098	1,414	+316	
Cash and deposits	917	1,197	+279	
<b>Fixed Assets</b>	620	455	▲164	Software decreased by 127 M yen and investments & other assets decreased by 42M yen
<b>Total Assets</b>	1,718	1,870	+152	
<b>Current Liabilities</b>	1,136	691	▲445	Decrease of 611 M yen in short-term loans payable and increase of 83 M yen in advances received
<b>Fixed Liabilities</b>	29	3	▲25	Decrease of 25 M yen in long-term debt
<b>Total Liabilities</b>	1,165	694	▲471	
Favorable Sub Liabilities	760	25	▲735	
<b>Total Net Assets</b>	552	1,175	+623	Capital and capital surplus increased by 798 M yen and 937 M yen, respectively, due to capital increase of the Parent and its consolidated subsidiary Linktivity Corporation, while net loss of 1.2 B yen attributable to shareholders of the parent company was realized.
<b>Capital to Asset Ratio</b>	31.9 % of total	61.4 % of total	+29.5pt	

## C/F Summary (Consolidated)

	FY2020	FY2021	Net Change	Notes
Unit: million yen				
<b>Operating Cash Flow</b>	<b>▲3,244</b>	<b>▲674</b>	<b>+2,570</b>	Increase due to 162 M yen in notes and accounts payable and decrease due to loss of 1.1 B yen before income taxes.
<b>Investing Cash Flow</b>	<b>▲213</b>	<b>▲43</b>	<b>+169</b>	Decrease of 81 M yen due to purchase of fixed assets
<b>Financing Cash Flow</b>	<b>417</b>	<b>964</b>	<b>+547</b>	Increase of 1.7 B yen due to proceeds from issuance of stock and decrease of 600 M yen due to decrease in short-term loans payable
<b>Cash and Cash Equivalents at the end of year</b>	<b>917</b>	<b>1,197</b>	<b>+279</b>	

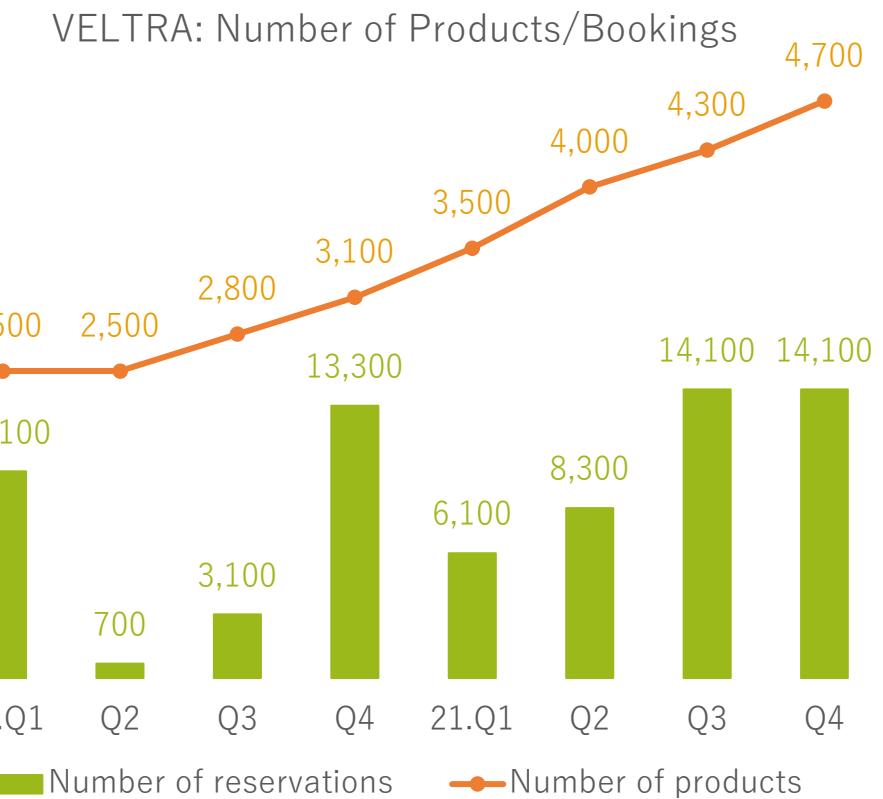
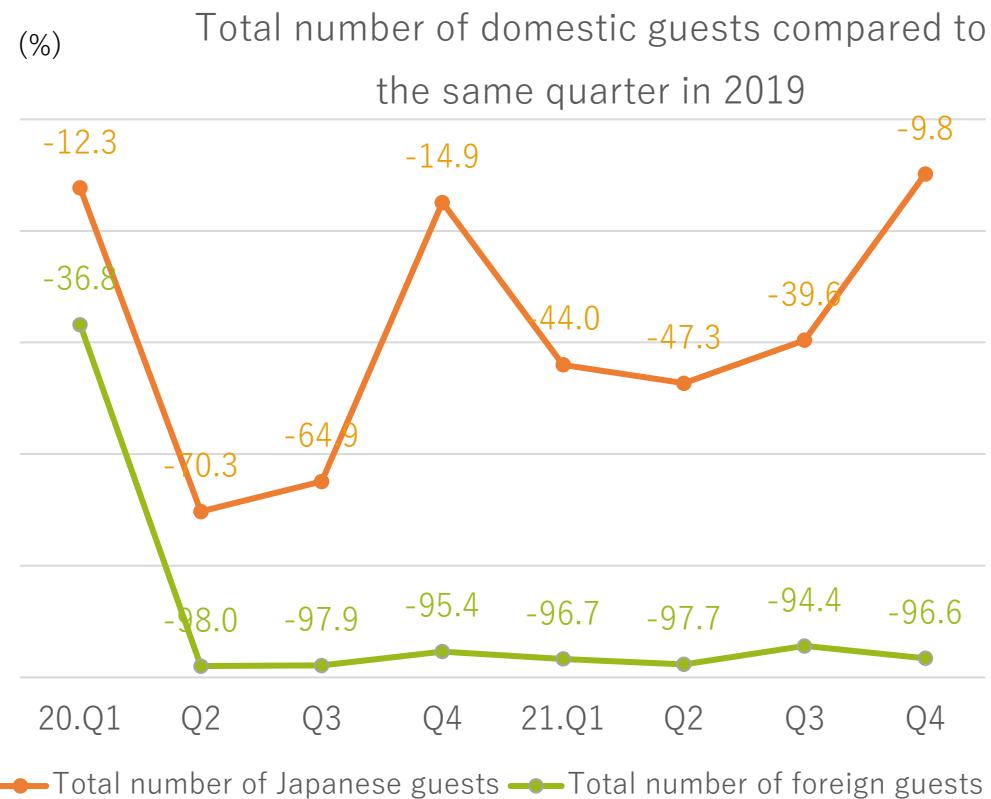


## FY 2021 Main Initiatives

Market Environment	<p><b>&lt;Although FY21 expected as market bottom, results were grim&gt;</b></p> <ul style="list-style-type: none"><li>1) Sluggish domestic travel throughout the year</li><li>2) International overseas travel at all-time lows</li></ul>
Business	<p><b>&lt;Formulated scenario for V-shaped recovery on strength of domestic sales&gt;</b></p> <ul style="list-style-type: none"><li>1) Promoted a foundation for growth for both overseas and domestic travel recovery</li><li>2) Expanded domestic market share by strengthening DX</li></ul>
Finance	<p><b>&lt;Secured cash reserves and thorough cost reduction&gt;</b></p> <ul style="list-style-type: none"><li>1) Continued thorough cost reduction and expense control</li><li>2) Stabilized management base by raising funds through third-party allocation of new shares</li></ul>

## OTA Business (VELTRA Domestic Travel)

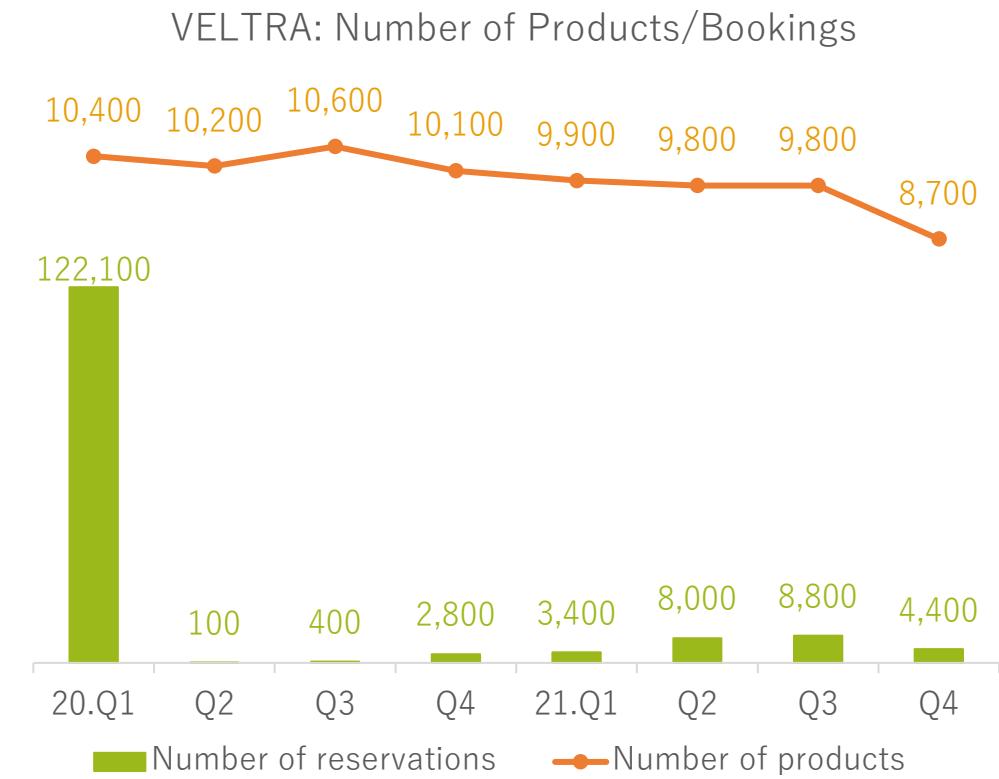
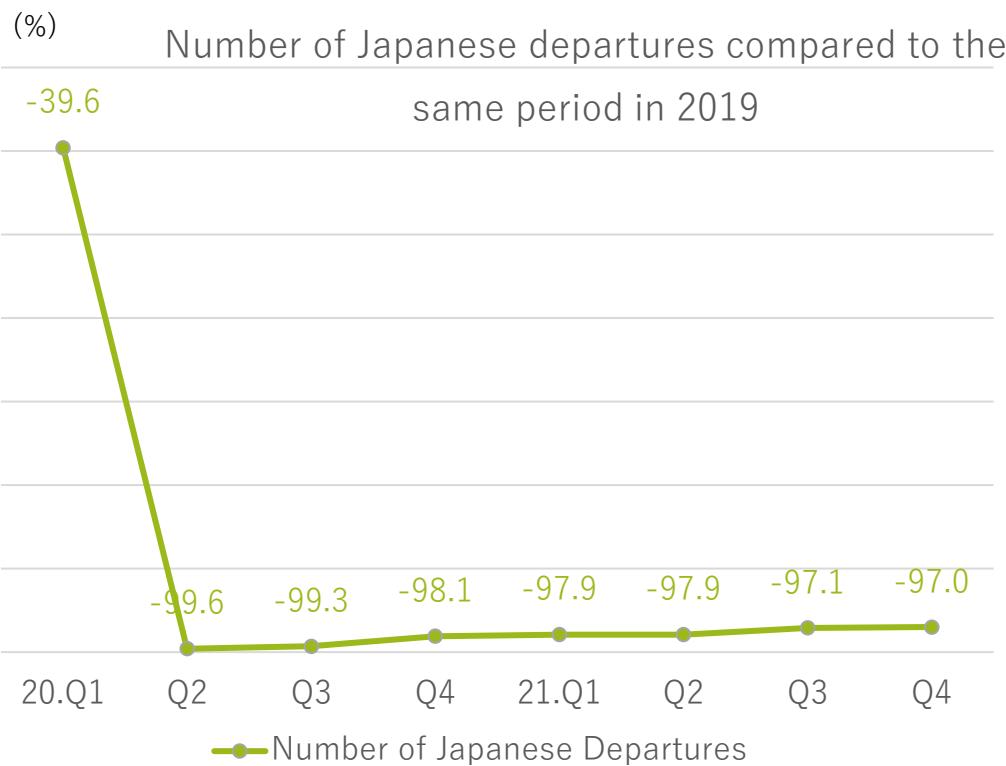
- [Business Environment] Japanese domestic hotel stays down 35.1%; foreign hotel stay down 96.4%
- [Domestic Business] The number of products increased by 1,200, mainly in Okinawa, remote islands and Hokkaido area. Okinawa's Omicron infections at the end of the year slowed down the growth of bookings.



Source: Japan Tourism Agency - Survey of Lodging and Travel Statistics

## OTA Business (VELTRA Overseas Travel)

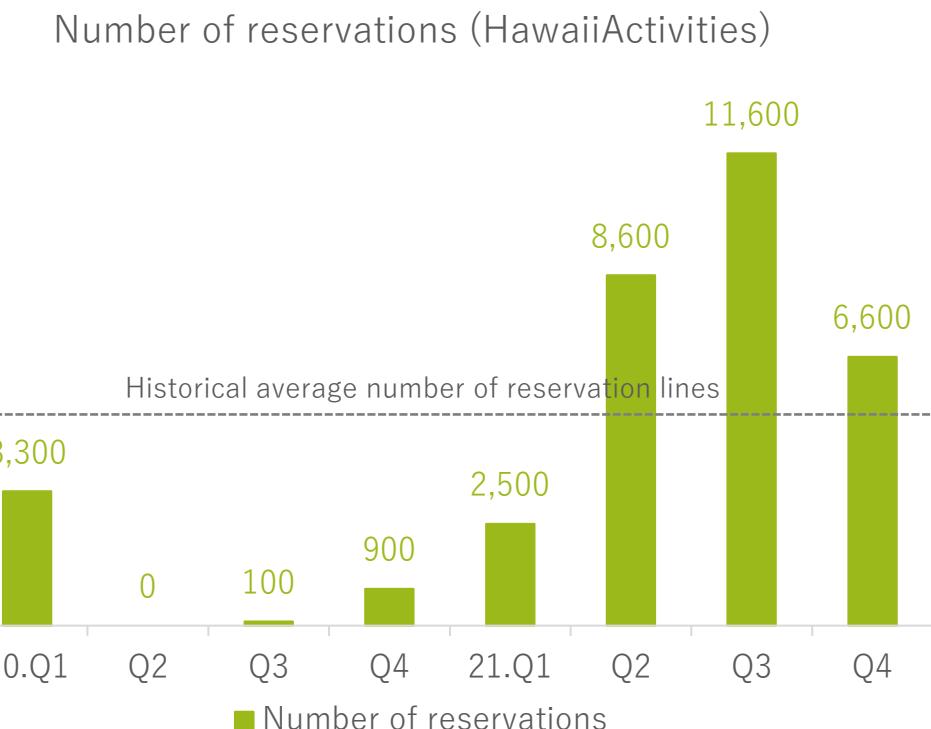
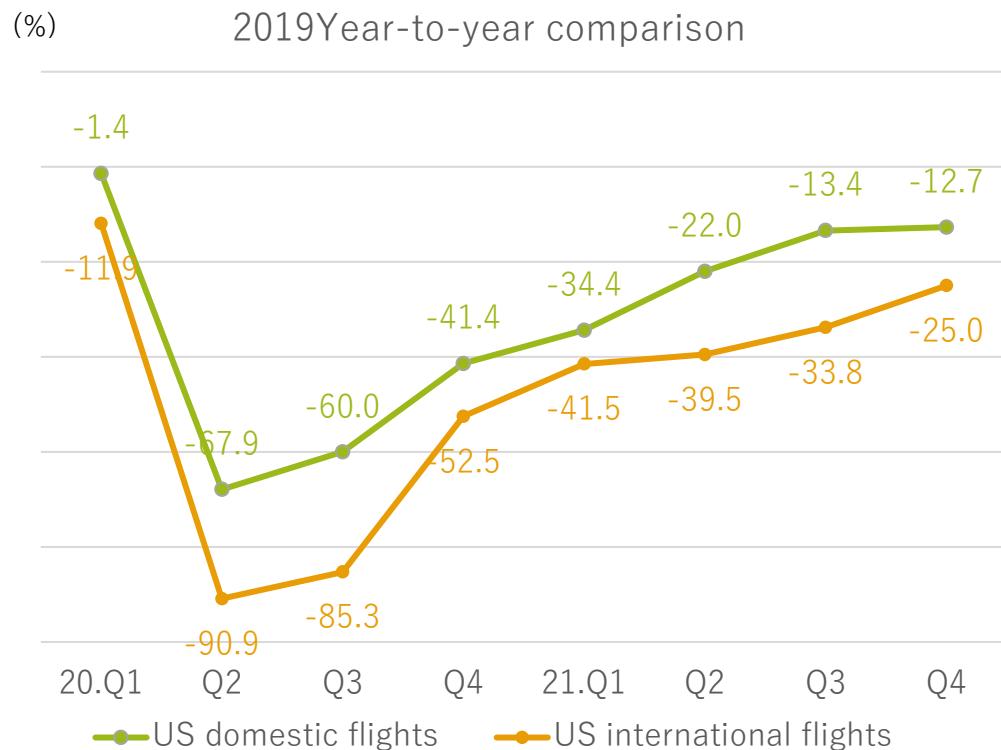
- [Business Environment] Japanese outbound travel saw 97.4% decrease amidst strict restrictions.
- [Overseas Business] Promoting tour activation so immediate action can be taken when recovery occurs.



Source: JNTO (Japan National Tourism Organization) - Statistics on Japanese Departures

## OTA Business (HawaiiActivities, U.S. mainland)

- [Business Environment] The U.S. was quick to adopt a “with COVID” stance to travel. Tourism is showing strong recovery, with domestic flights recovering to 90%.
- [Hawaii Business] Amidst partial recovery of demand in the U.S., Hawaii Activities recorded record profits.



Source: U.S. DEPARTMENT OF TRANSPORTATION - Domestic Passenger - Departures Performed (Flights)

# Platform Business (Linktivity)

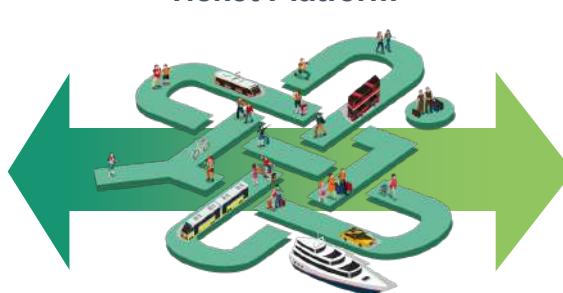
- Increased new contracts by approximately 300% by strengthening products. Strengthened services such as direct sales site construction and MaaS promotion.
- Strengthening products and sales channels for the domestic (Japanese) market.
- New services and products will be developed to promote future business growth. Entered into a capital and business alliance agreement with Nippon Telegraph and Telephone West Corporation (NTT West).
- Raised 150 million yen through a third-party allocation of new shares to NTT West.

## Sellers: 24 → 90 Companies

JR Group, major private railways, Tokyo Tower, Legoland, etc.



### Ticket Platform



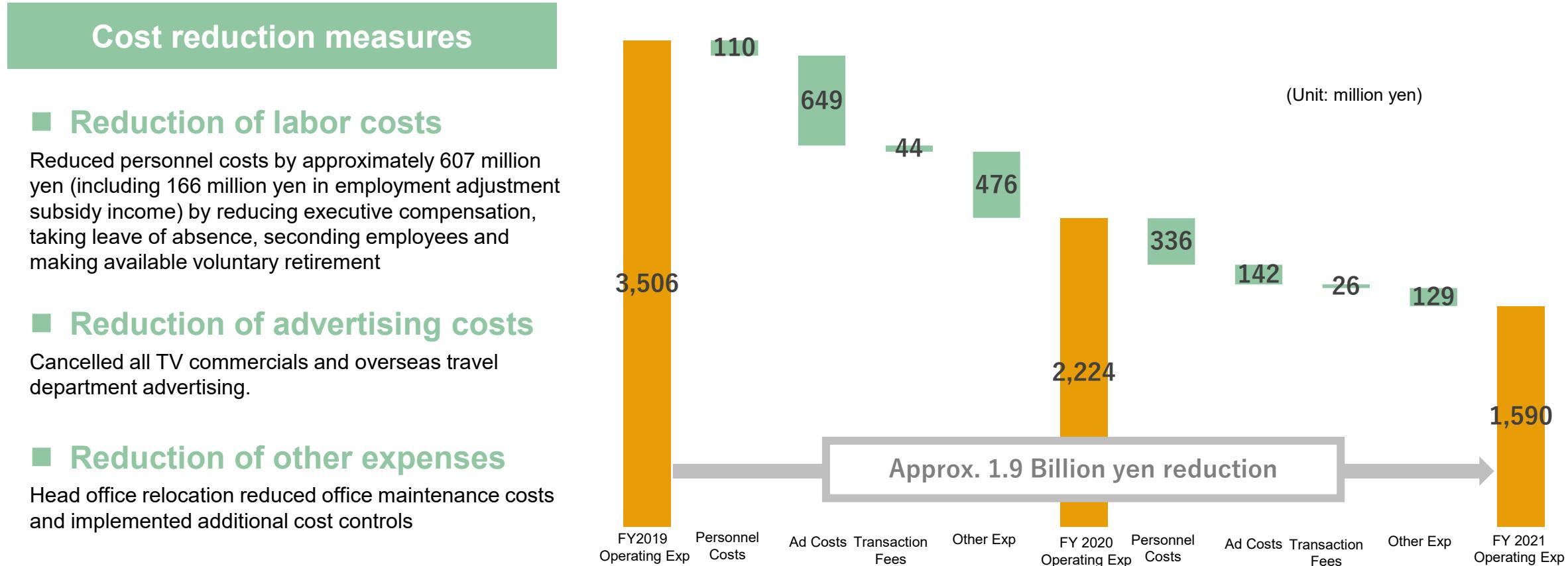
## Resellers: 112 → 167 Companies

Viator, GetYourGuide, Bidan, Lilo Club, etc.



# Financial Measures (cost reduction)

Continued thorough cost reduction efforts in 2021, reducing costs by approximately 1.9 billion yen compared to pre-COVID period.





## FY 2022 Future Actions

Market  
Environment

**<Assume that market bottom will be at the same level as 2021 and that travel will recover toward the end of the fiscal year>**

- 1) Domestic travel expected to recover ahead of overseas travel
- 2) International flights are expected to recover in stages

---

Business

**<Overseas travel + domestic travel + inbound travel for a V-shaped recovery>**

- 1) Activation of overseas travel products, continued strengthening of domestic sales activities, and exploration of global opportunities
- 2) Activation of 2 million members
- 3) Further strengthen platform business in cooperation with NTT West

---

Finance

**<Thorough cost reduction and focused and effective investment>**

- 1) Continue thorough cost reduction and expense control
- 2) Funding for medium- to long-term growth investments

# OTA Business for Domestic and Overseas Travel

- Growth acceleration through overseas travel business, as well as new revenue bases such as domestic travel and strengthening of services for English-speaking countries.
- Promote accumulation of assets overseas and in Japan. and implement activities to achieve V-shaped recovery after the travel recovery.

## Future Initiatives

### Overseas Markets

For overseas market, reactivate products to 2019 levels in preparation for the lifting of overseas travel restrictions.

### Domestic Market

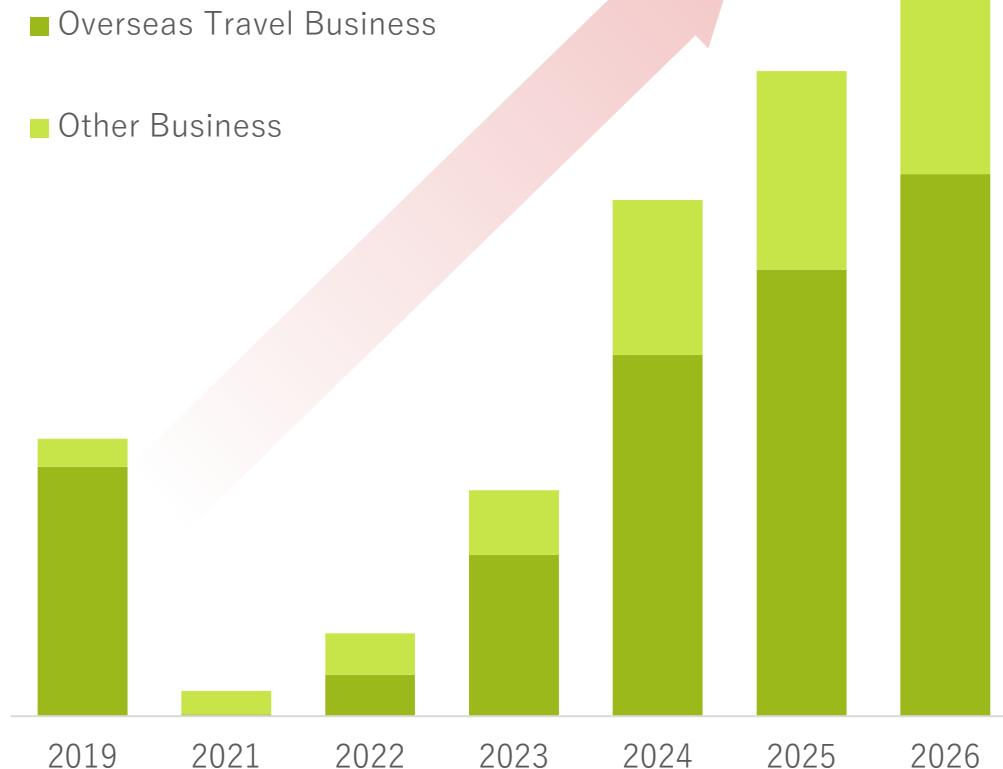
Continue to strengthen product lineup: 1,700 new products to be added this year.

We offer a wide variety of thematic experiences that are second to none in terms of domestic travel, including remote islands and national parks in Japan.

### North American Market (Hawaii Activities)

Veltra plans to strengthen its brand in categories based on environment and eco-tourism, using Hawaii as a starting point, and to expand sales to the North American mainland and other regions.

Image of overseas travel business and expansion of new revenue base



# Maintain and Grow Customer Base with 2 million Members

- Expansion of popular domestic products, digital content and home delivery services.
- Diversification of content is expected to increase the value of existing members not only during the experience, but also in the pre- and post-trip markets.

## Increase touch points through expansion of content and services

Enhance your daily leisure time:  
Hobby Idea Magazine  
YOKKA



World and Domestic Travel Cuisine:  
A home meal service based on the concept  
"Meals of the World"



Crowdfunding for Tourism Services:  
Connecting the Wishes of Tourism  
Businesses and People Who Want to  
Support Them  
"Zenes."



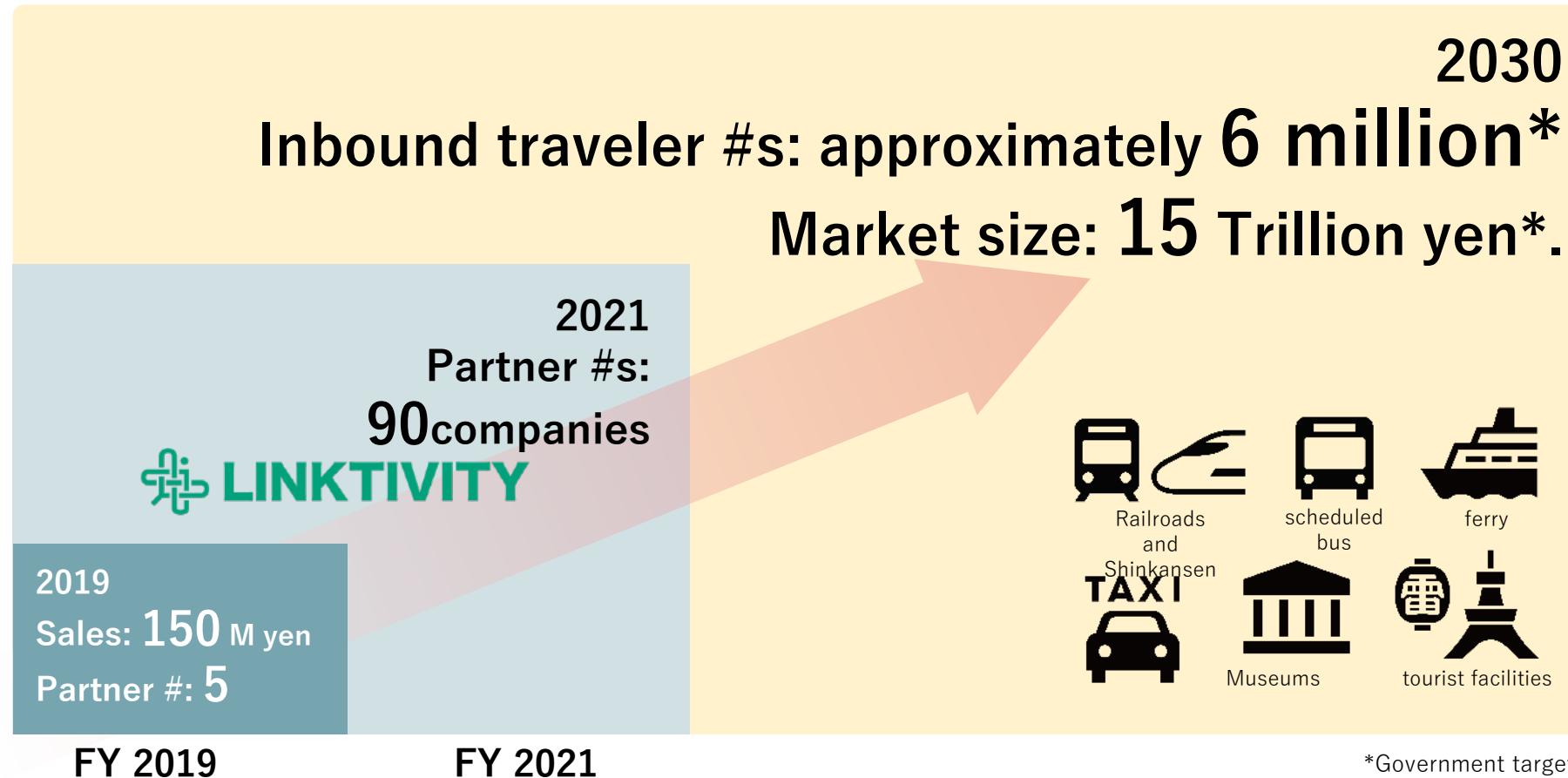
Tour the world from the  
comfort of your home  
Providing a new form of  
travel:  
Virtual Tours by  
"Online Academy."



Platform Reservation System:  
Strengthen ticket sales for domestic  
facilities and transportation.

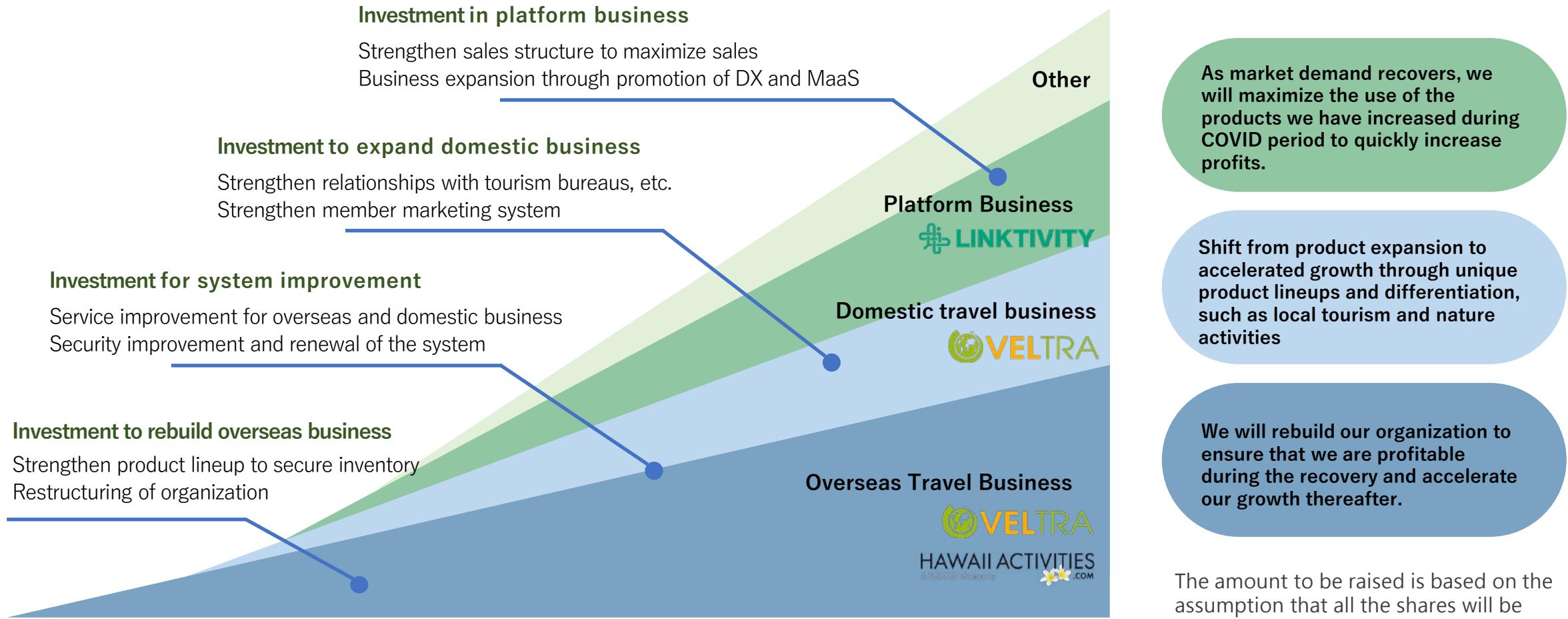
# Linktivity- Platform Business

- Will continue to strengthen sales activities on Linktivity in cooperation with NTT West.
- Will further expand from urban areas and promote connections with railroad and bus companies and tourist facilities nationwide.
- Linktivity aims to become fully profitable after the recovery in demand of the inbound market.



# Financial Measures (Fundraising)

- Plan to raise 2.3 billion yen through stock acquisition rights to secure funds for growth investment in anticipation of recovery in travel demand.
- Funding will enable medium- to long-term growth investment even under the worst-case scenario where the impact of COVID-19 will continue



## FY 2022 Earnings Forecast



With regard to the consolidated earnings forecast for the fiscal year ending December 31, 2022 (full year), as uncertainty of market recovery from COVID-19 impact remains unclear it is difficult to calculate a reasonable earnings forecast at this time. Therefore, the forecast for the fiscal year ending December 31, 2022 has not been determined.

We will promptly disclose the earnings forecast when it becomes possible to do so.



# VELTRA Company Profile

Tokyo Stock Exchange Mothers7048

# Company Profile

Operation of VELTRA.com, one of Japan's largest online reservation sites specializing in local experience-based optional tours

## Profile

Company Name	<b>VELTRA Corporation</b>	
Headquarters	1 Kanda Mitoshirocho, Chiyoda, Tokyo	
Capital	JPY 1,336,327,970 (as of December 31, 2021)	
Founded	November 1991 (VELTRA.com business initiated in 2004)	
Fiscal Year Closed In	December	
Number of Employees	Headquarters:97 (Consolidated:121 )	
Subsidiaries	[Malaysia]	VELTRA Malaysia Sdn. Bhd.
	[USA (Hawaii)]	VELTRA Inc.
	[Korea]	VELTRA KOREA Inc.
	[Japan].	LINKTIVITY Inc.
Business Branches	Bangkok, Ho Chi Minh Seoul (in South Korea) Tokyo Kuala Lumpur Hawaii	



## Business Category

<b>VELTRA.com</b>	<b>Linktivity</b>
<b>Optional local experience tours</b>	
Overseas travel for Japanese travelers	Domestic travel for Japanese travelers
Corporate Services	For Railways and Facilities Sales System (B2B)

## Board Members

President and representative director / CEO	Wataru Futagi
Director / COO	Ryoko Mannen
Director	Tomoharu Kurakami
Director	Jumpei Minashima
Director / CTO	Kenichiro Sakamizu
Outside director	Gaku Suzuki
Outside director	Rodney Cuthbert
Auditor	Tetsushi Ikeda
Part-time auditor	Masato Mori
Part-time auditor	Masayuki Kono

# History

---

- 1991 ALAN Corporation (currently VELTRA Corporation) was established as a marketing-focused consulting businesses.
- 2003 Business transfer of a golf course booking site "GORA" to Rakuten (currently "Rakuten GORA").
- 2004 Business initiation of an overseas activity booking site "Alan1.net" (currently VELTRA).  
Launched "HawaiiActivities.com" for the North American market traveling to Hawaii.  
Acquired all shares of White Publishing, Inc. (currently VELTRA Inc.).
- 2012 The trade name was changed from "Alan 1.net" to "VELTRA" for global business expansion.  
The company name was also changed from ALAN Corporation to VELTRA Corporation.  
Opened an English website. Initiated Japan inbound travel business.  
Established VELTRA Malaysia Sdn. Bhd. in Kuala Lumpur, Malaysia as a system development company.
- 2015 Opened Chinese websites (traditional and simplified).
- 2016 Acquired all shares of City Discovery SAS, an Online Tours & Activities booking site--CityDiscovery.com--for global markets but mainly targeting English speaking travelers.
- 2017 The company name of a locally incorporated subsidiary in Paris was changed to VELTRA SAS, a group company of VELTRA.  
The company name of a locally incorporated subsidiary in Manila was changed to VELTRA Philippine, a group company of VELTRA.  
Launched veltra.kr, a Korean website in partnership with Korean company, 12cm,Inc  
Established LINKTIVITY PTE, LTD. in Singapore to supply products mainly focused on Japanese railways and transportation.  
Full-fledged business initiation for B2B.
- 2018 Listed on the Mothers Section of the Tokyo Stock Exchange
- 2019 Established VELTRA KOREA Inc.
- 2020 Established Linktivity Inc.

# About VELTRA

VELTRA Group provides ways to make various types of inspiring experiences possible

## OTA Business



The Largest in class for Japanese Overseas and  
Domestic tours and activities

## HAWAII ACTIVITIES A VELTRA® Company

Hawaii Specialties for North American Travelers  
Local Tour and Activity Booking

ベルトラ VELTRA  
オンライン・アカデミー  
Online world travel through live  
streaming experiences

世界の GOHAN@home  
Delivering cultural cuisines from around the world

## while traveling



## Before the trip

## After the trip

## Tourism IT Business



Platform for Railways and Facilities

VELTRA  
**Zenes**  
Crowdfunding that supports tourism businesses

## YOKKA

Online media that introduces ideas for  
everyday activities and interests

### VISION

Realize a better world through hospitality

### MISSION.

**Design the genuine experiences of tomorrow**

An inspiring experience is one that allows you to truly experience the beauty of culture, nature, and the people you encounter. VELTRA delivers solutions to customers to help them encounter these experiences, and help create activities that lead to a better tomorrow. We aim to realize better social interaction by thinking of the mutual satisfaction with our employees, business partners, customers, and others on a global scale.

# OTA Business

Our core business, VELTRA.com, is the largest local tour and activity booking service in Japan.

In addition to its overwhelming membership base, the company offers "inspiring experiences" that go beyond travel products.



Number of countries: **150**



Number of members:  
**3.04** million



Number of products: **9,500** Overseas **4,700** Domestic



Participants: **2** million  
people/year\*As of 2019



Number of testimonials: **380,000**

## Other Services of VELTRA Booking Platform

English



Booking local tours and activities



Number of products: 650



Number of members:  
85,000



Participants: 89,000  
people/year

Japanese



Online world travel through live-streaming  
experiences



Number of products: 95



Participants: 50,000  
people/year

Japanese



Delivering cultural cuisines from around  
the world



Number of products: 95

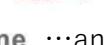


Number of orders: 5,000  
per year

Japanese

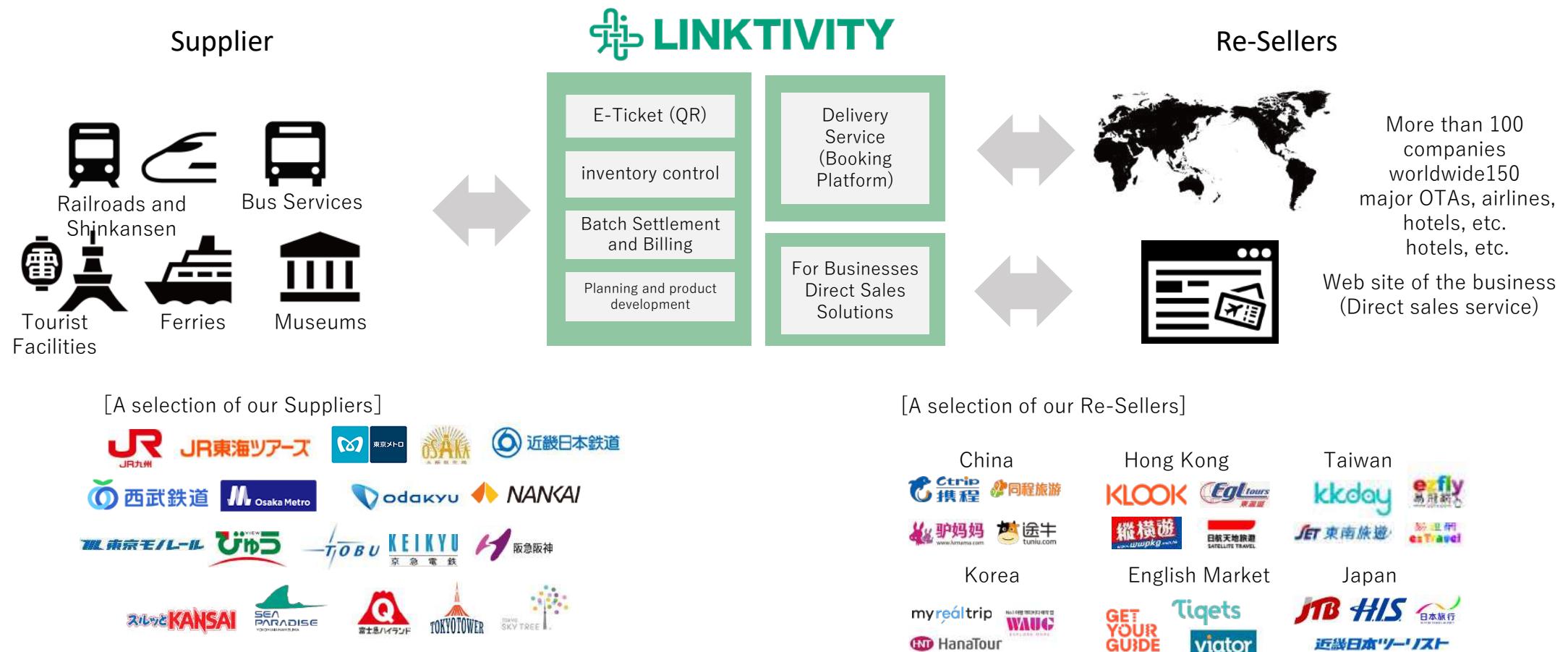


Selling VELTRA products on the  
corporate website



# Tourism IT Business

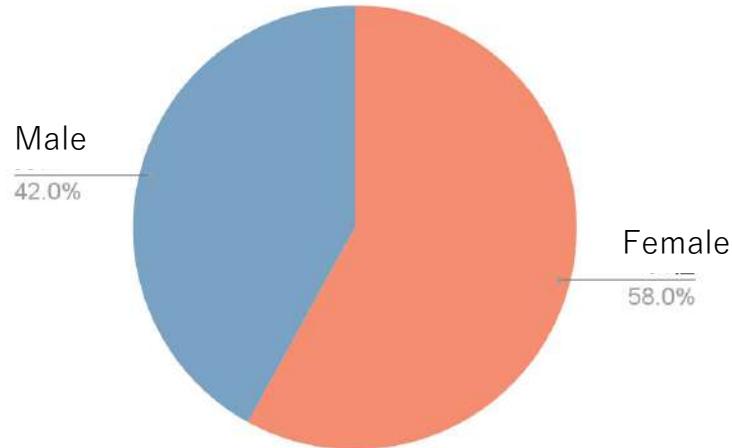
Supporting sales of Japanese transportation and tourism facilities and providing a platform to connect travel agencies around the world with seamless experiences such as digital ticketing and MaaS, and sales opportunities through DX promotion.



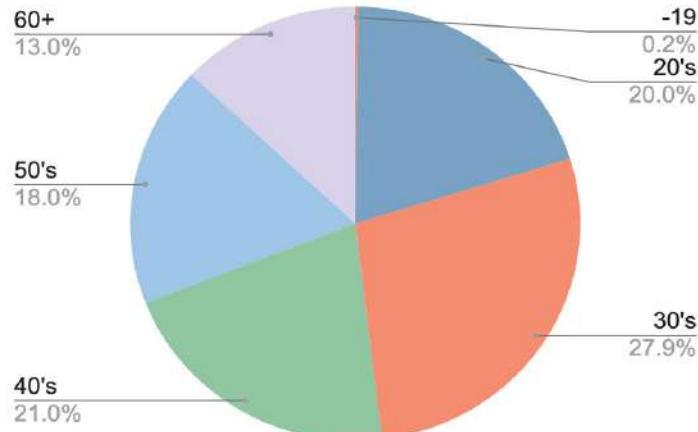
# VELTRA.com User Overview

Support from a wide range of customers, more than 99% of whom have traveled abroad.

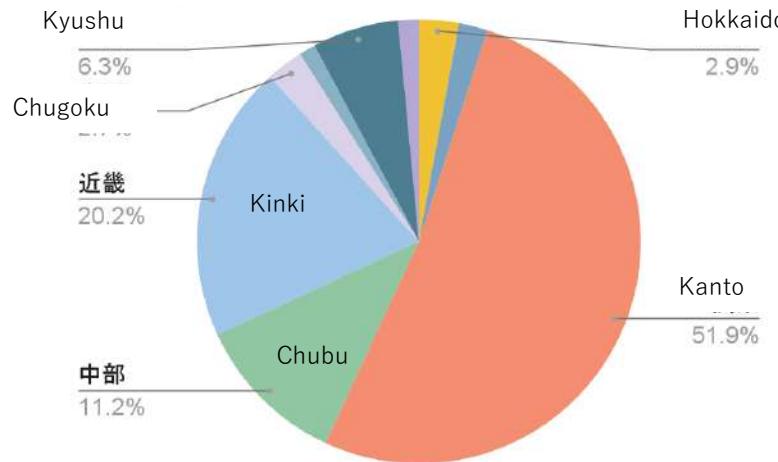
Gender



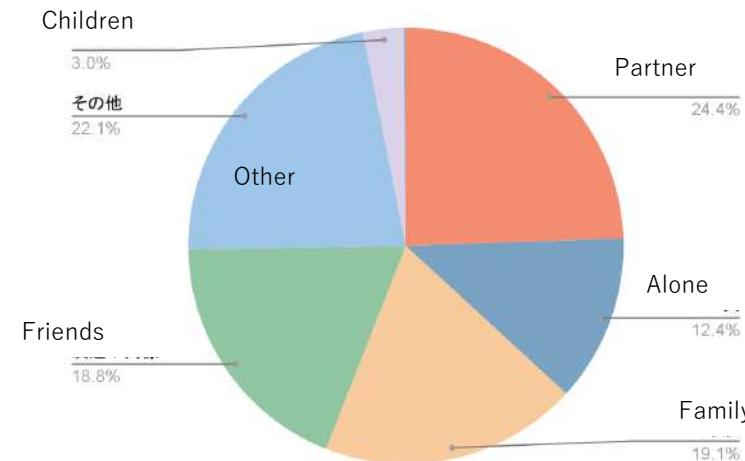
Age Groups



Residence (Japanese customers only)

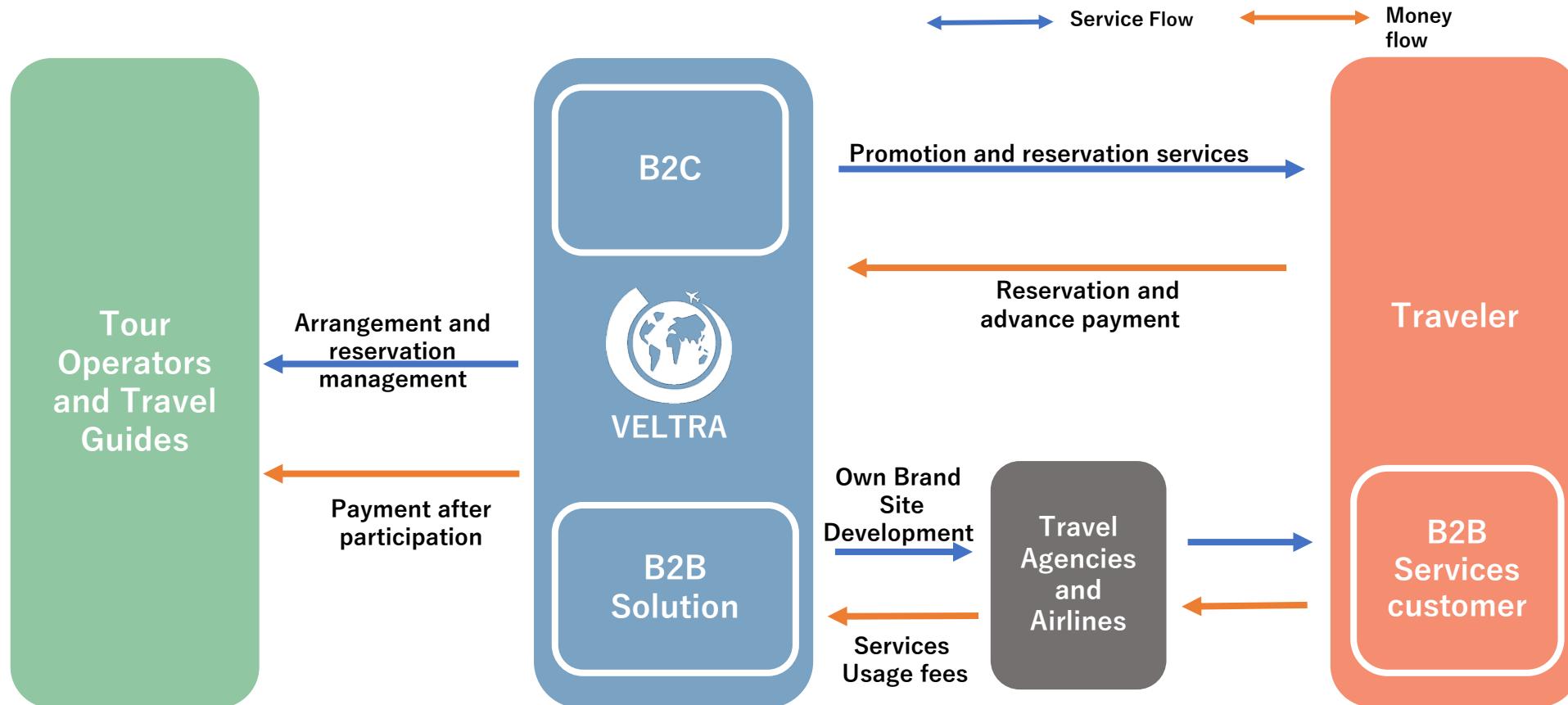


Traveling with...



# Business Model of VELTRA.com

The OTA business (VELTRA & HawaiiActivities), the core of the VELTRA Group, has a commission model for reservation sales.



# Our Strengths

VELTRA's strength is its worldwide network, unparalleled product line-up, marketing capabilities and high levels of customer satisfaction.

## Presence in the online market

The company's integrated marketing capabilities, from customer attraction to product planning and purchasing, have established it as a prominent name and sales force in the online market for experiential products.



**30010,000  
USER/month\***  
Organic customer  
attraction  
\*Average of 2017 ~ 2019



**200,000  
USER/month**  
Own ability to  
attract customers



B2B network of **more  
than 2,000 domestic  
companies**



API system  
integration with  
more than **100  
companies**

## Services that are chosen by customers

Specializing in experiential products, we have achieved a high level of satisfaction from both customers and suppliers that no other company can imitate through our refined services and product management system.



**50% of**  
reservations are  
repeaters  
2019\*Yearly  
results



**NPS (+27%)**  
customer loyalty



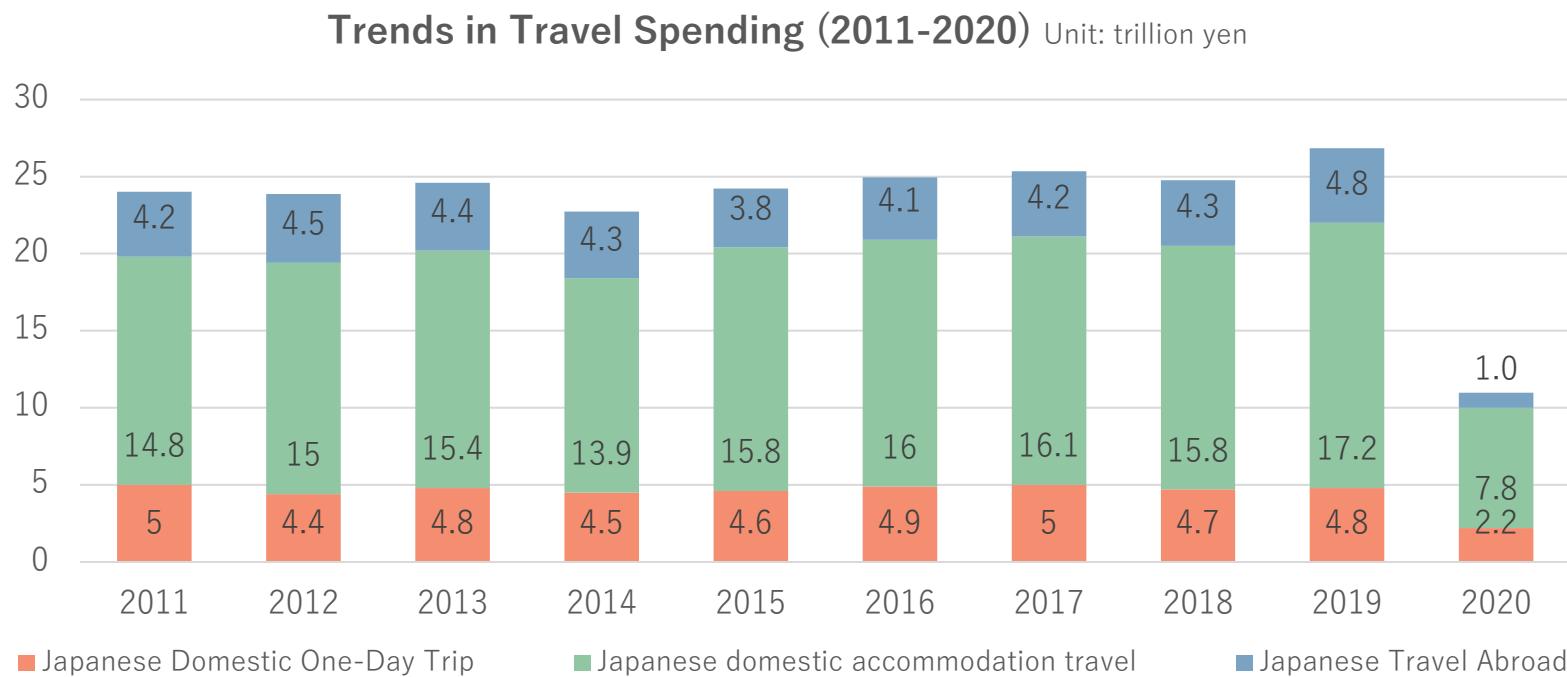
Localized  
**UI/UX**



**24/7** Customer  
Support Structure

## Growth potential of target markets

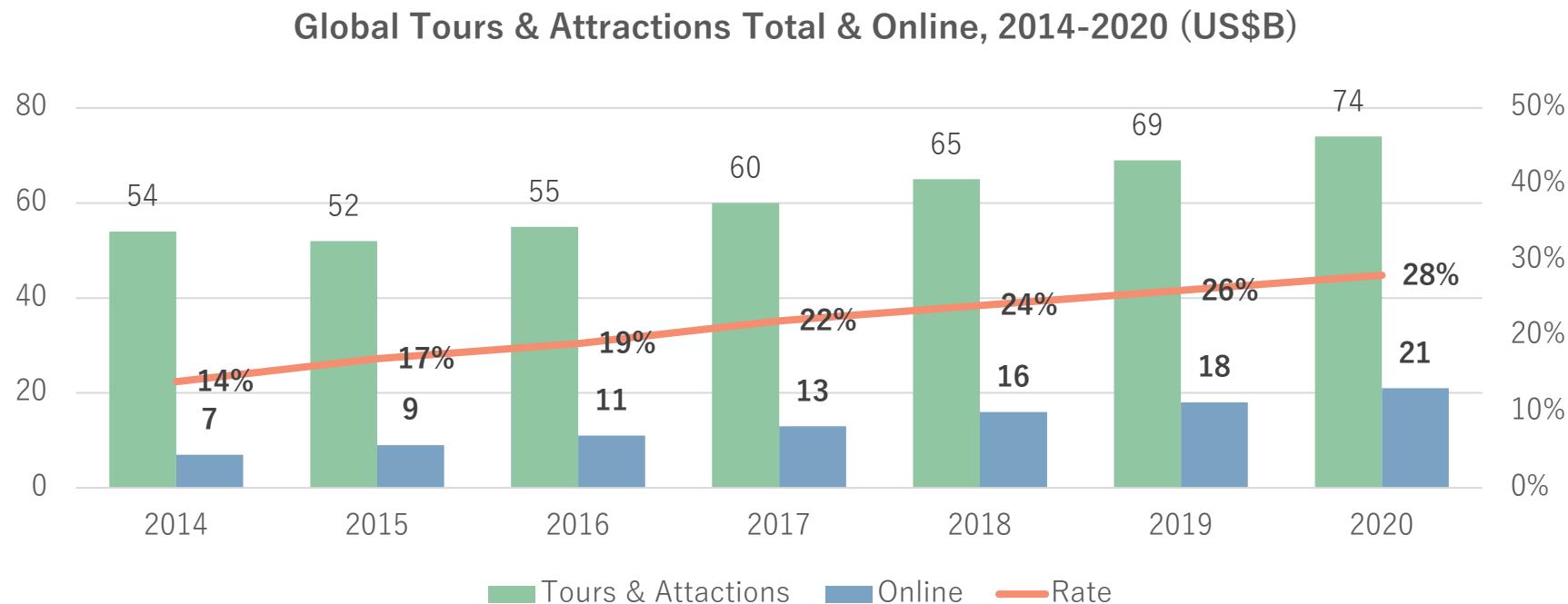
The Japanese domestic and overseas travel markets have been **stable over the past 10 year without major fluctuations**. The market is likely to recover to a similar level when travel resumes.



Calculated based on the Japan Tourism Agency's "Survey on Travel and Tourism Consumption Trends."

## Growth potential of target markets

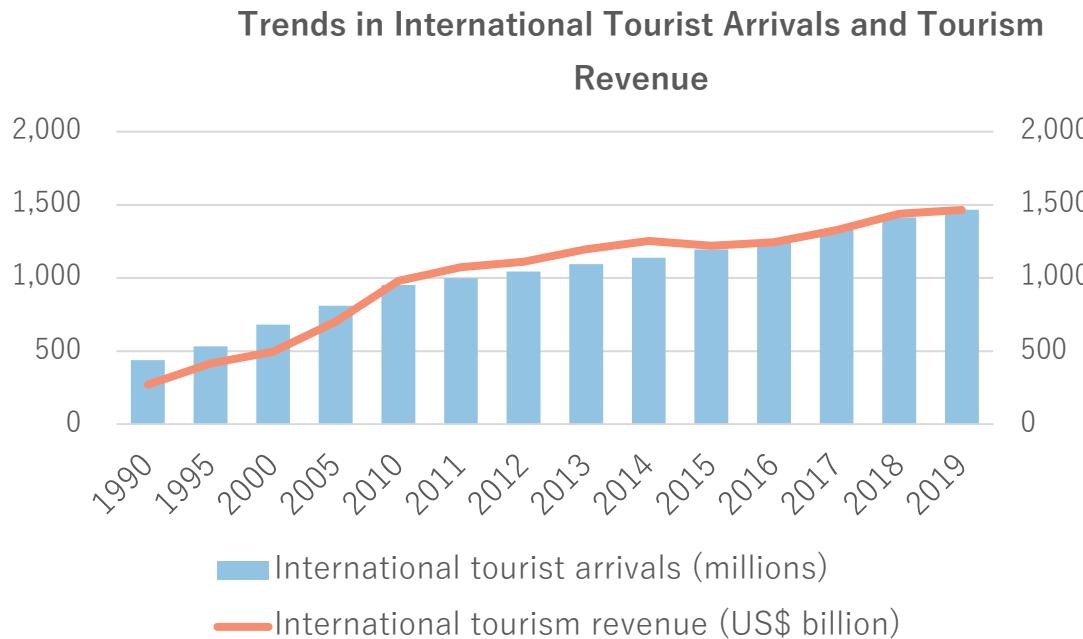
In the tour and activity market, where offline sales have been the mainstream, **COVID-19 will be a driver to promote DX and online sales, where even higher growth is expected.**



Phocuswright "Tours & Activities Come of Age: The Global Travel Activities Marketplace 2014-2020" July, 2017 2017-20 are estimates.

## Market Environment - Current State of the Travel Market

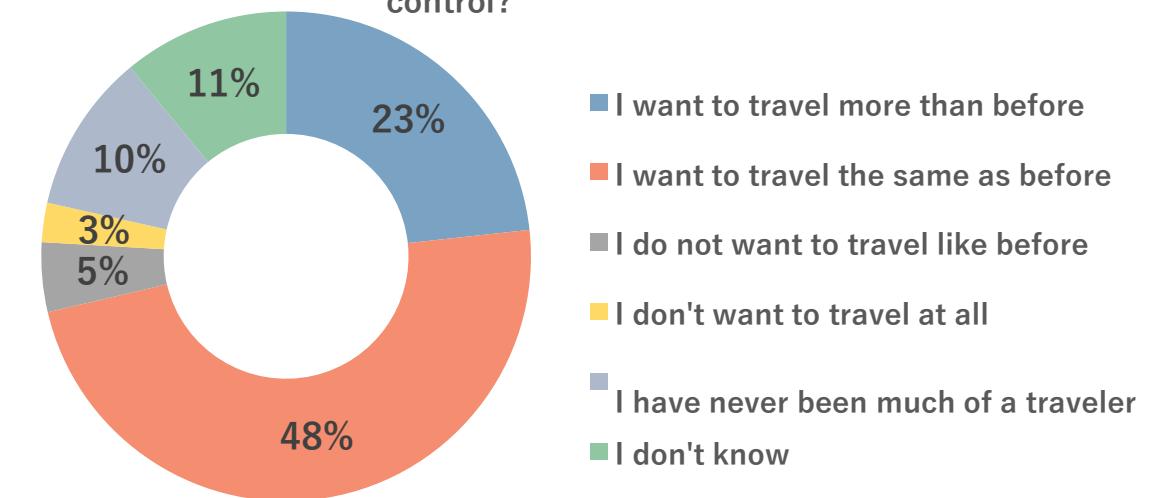
The tourism and hospitality industry is a **very resilient sector** that has overcome the 9.11 terrorist attacks and the 2009 financial crisis, recovering to a growth rate greater than GDP.



UNWTO "World Tourism Barometer" (2021 March)

Japanese are **still highly motivated to travel** after COVID-19 is contained.

**Q. How do you feel about travel once COVID-19 is under control?**



Trends in Japanese Travelers under a New Coronavirus Infection Epidemic. Public Interest Incorporated Foundation Japan Transport Corporation (20217)

## Points to note

---

Forward looking statements made in this document include information regarding forecast of financial results and business plans. The information in this report is based on information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication and include risks or uncertainties. They are not meant to be binding commitments by the Company. There may be cases in which actual results differ from forecast values.

Even though new situations occur in the future or conditions fluctuate, VELTRA does not intend to change or revise the descriptions found in this document.

The purpose of this document is to provide information, and not to solicit the selling or buying of VELTRA shares. VELTRA requests that you avoid making investment decisions based entirely on information provided in this document and that you choose your investments at your own discretion.

Also, regarding information other than those included in this document, it is quoted from disclosed sources, and VELTRA has not verified the accuracy or appropriateness of such information, and it will give no guarantees for said information.

